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# Consumer Reporting Act

**It works  
for you**



Ontario

Ministry of  
Consumer and  
Commercial  
Relations

# What is the Consumer Reporting Act?

The Act, administered by the Ontario Ministry of Consumer and Commercial Relations, states the kind of information a consumer reporting agency can report, stipulates how it can be used and protects you against the use of outdated and inaccurate information.

It also recognizes the need of businesses to have correct information. Landlords must know whether you can pay the rent and prospective employers may need to know if you are bondable.

## How does it protect you?

The main purpose of the Act is to ensure:

- your right to expect responsible conduct from businesses who gather, store, assemble or use credit and personal information;
- your right to know what is being reported about you and to whom it is reported;
- your right to correct inaccurate information about yourself.

## What is the difference between credit and personal information reporting agencies?

There are two types of reporting agencies, and both are covered by the Act.

A **Credit Reporting Agency** keeps records of your credit transactions and information such as bankruptcies, writs and judgments that might affect your ability to pay when you borrow money, rent an apartment or use a credit card.

These records are usually kept on file at the nearest credit bureau. The credit bureau has regional offices across Ontario that are linked by computer.

The credit bureau, however, is only one type of consumer reporting agency. There are other private agencies that also gather and store credit and personal information.

**A Personal Information Reporting Agency** collects information on your lifestyle and/or your credit transactions. It could include information about your character, reputation, health, physical or personal characteristics or mode of living.

## **What kind of information can reporting agencies collect?**

Reporting agencies are required to make a reasonable effort to verify unfavorable personal information in their reports. The agency can't simply accept your neighbor's tales.

## **Are reporting agencies restricted as to what past information can be used?**

Consumer reports cannot contain a bankruptcy discharged more than seven years ago unless you have declared bankruptcy more than once.

They cannot contain information about writs, which represent the intention to sue, issued more than 12 months before the date of the report, unless the reporting agency has proof on file that the writ is still being pursued. Writs more than seven years old cannot be reported.

They cannot contain information about the payment of taxes or fines after seven years.

They cannot contain information about convictions for crimes after seven years or information about any criminal charges against you that were dropped.

## **How can this information be used?**

Information can be given in response to legitimate inquiries provided you have been advised. It can be used for most credit and business transactions.

The most common use of this information is to determine your credit-worthiness. The agencies, which must register with the Ontario Ministry of Consumer and Commercial Relations, compile your credit history to find out how much you owe and if you are paying according to the terms of your account with a creditor.



The agencies sell this information to companies from whom you wish to obtain credit. This means that your credit history can be examined by a potential employer, landlord or credit granter every time you want to borrow money, apply for a credit card, sign a mortgage or apply for a job or an apartment.

No information on you or your credit history is available to the public.

## **Isn't credit reporting an invasion of my privacy?**

Many consumers believe credit reporting is an invasion of their privacy. It is best to keep in mind that information recorded on the credit files is based on facts and not arbitrary judgments. Therefore, a trade-off of a certain amount of your privacy is necessary in order to obtain such benefits as credit.

In other words, credit reporting can help you receive a credit card or a loan much faster when information is available to reassure the credit grantor that you are a good credit risk. After all, it would be unwise to extend credit to someone who is not in a financial position to pay the money back.

## **Benefit denied? Fee increased?**

When you are denied a benefit or a fee has been increased, you are entitled to request within 60 days, either the name and address of the consumer reporting agency, or the nature and source of the information that was provided.

## **May I review my file and correct inaccurate information?**

Yes. All consumers have a right to see their credit and personal information files. This may be done at the reporting agency during normal business hours. The information may be obtained through a personal interview or through a written request.

While reviewing your file you may be accompanied by one other person. The reporting agency will require you and anyone accompanying you to show identification such as a birth certificate.

If you find information that you believe is inaccurate or incomplete in your file, the agency must either support its claim, correct the error, make the information complete or delete it from your file. However, the onus is on you to supply proof of inaccuracies when called upon to do so.

The consumer reporting agency works for you, as well as the business to which it is reporting. It is obligated to inform the business of your current credit situation and it is obligated to be fair and honest about what it reports. It is to the agency's advantage to provide the best and most accurate information possible.

## **How is correct information passed on to creditors?**

Once the file has been corrected, the agency must notify certain persons, including anyone who has been given the old report within the past six months to one year, depending on the circumstances.

## **What if you aren't satisfied that your file has been updated correctly?**

If you feel there is an error in your file or it has not been updated correctly:

1. Contact the credit reporting agency.
2. Follow its advice for supplying evidence of corrections.
3. Contact your nearest Consumer Services Bureau (addresses on back page).
4. If your problem is still not solved, contact the Registrar of Consumer Reporting Agencies.

When your written complaint has been forwarded to the registrar, the agency will provide the registrar with the information that relates to your complaint. The registrar may inspect the files the agency has about you. The registrar may order the corrections to your file if warranted.

However, bear in mind that the registrar must have your written permission before your personal file can be accessed. The Consumer Reporting Act prohibits reporting agencies from using inaccurate and out-dated information. But it can't protect you against yourself. Using credit wisely is your best defence against having your credit requests refused.

## **What if false information is given out about me?**

Anyone found guilty of knowingly providing false information or contravening the Act is liable to a fine of up to \$2,000 or to imprisonment up to one year, or both. A corporation committing a similar offence can be fined up to \$25,000.

## **Tips for maintaining a good credit record**

- Always pay your bills promptly. If you have a reason for being late with your payment, let the company know.
- Try to pay off any debt quickly. Avoid prolonged 'easy terms' and avoid having to refinance at higher interest rates.
- Never sign a blank form. Remember a contract is a legal document. Always read and understand the fine print.
- Be familiar with brand-name merchandise and its cost so you can compare goods and prices.
- Make certain you understand the total cost of your purchase. Add up those monthly charges.

A copy of the Consumer Reporting Act may be obtained at the Ontario Government Bookstore, 880 Bay St., Toronto. Information and Mail Order Service: (416) 965-6015; Toll-free 1-800-268-7540; in area code 807, ask Operator for: Zenith 67200.

## Consumer Services Bureaus

Ontario Government  
Building  
5th floor, 119 King St., W.  
(P.O. Box 2112)  
Hamilton, Ontario  
L8N 3Z9  
(416) 521-7554

New Court House,  
Main floor  
80 Dundas St.  
London, Ontario  
N6H 1B4  
(519) 679-7150

Box 5600, Station 'A'  
London, Ontario  
N6A 2P3

10 Rideau St., 2nd floor  
Ottawa, Ontario  
K1N 9J1  
(613) 566-3878

139 George Street North  
Peterborough, Ontario  
K9J 3G6  
(705) 743-8728

199 Larch St., 5th floor  
Sudbury, Ontario  
P3E 5P9  
(705) 675-4378

Ontario Government  
Building  
435 James Street South  
Thunder Bay, Ontario  
P7E 6E3  
(807) 475-1641

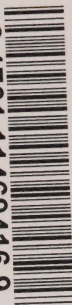
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555 Yonge St., 8th floor  
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